



# CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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## **ILLINOIS REGULATORS OK ‘TIME OF USE’ PILOT PROGRAM**

*Potential Money-saving Option for Electric Customers Has Been CUB, EDF Priority for Years*

Customers of Illinois’ largest electric utility are one step closer to enjoying another program to help them save money and lower their reliance on dirty sources of power, thanks to a joint effort by Environmental Defense Fund (EDF) and the Citizens Utility Board (CUB) to establish “time-of-use” (TOU) pricing.

The two organizations have been pressing for this innovative program for more than five years, and, along with other consumer advocates like the Illinois Attorney General’s office, helped develop it in a proceeding before the Illinois Commerce Commission (ICC). On April 1, the ICC voted to allow ComEd customers to participate in the optional program on a pilot basis.

Under the optional, four-year time-of-use pilot program, three pricing periods will be established for residential customers: Super Peak (2 p.m.-7 p.m.), Off Peak (10 p.m.-6 a.m.) and Peak (all other times), with prices lowest during the Off Peak and highest during Super Peak periods.

Within the next 30 days, ComEd will determine the exact price per kilowatt-hour customers will be charged during each period. Enrollment in the program is likely to begin later this year or early 2021.

Currently, the price that most customers pay for electricity—called the “default” rate—only changes about twice a year. As a result, default pricing ignores the reality that market prices are often lower than standard utility rates, and only get extremely high during those few times of system-wide peak demand. Customers who can shift non-essential electricity use to times of day when the prices are lower can benefit from [TOU pricing](#).

In addition to saving customers money, time-of-use pricing also is beneficial to the environment. Peak electricity demand is typically met with more polluting fuel sources.

“We want to make Illinois a focus of energy innovation,” CUB Executive Director David Kolata said. “Through innovative programs like time-of-use pricing, we are showing how clean energy is good for your pocketbooks.”

“This time-of-use pilot will enable customers to lower their bills and environmental footprint by simply shifting non-essential energy use to a more affordable time of day when clean energy is abundant,” said Christie Hicks, senior attorney for EDF.

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A time-of-use rate offers many other advantages, including reducing or delaying the need for new investments in grid-distribution systems, since the grid typically must be built to meet the times of highest demand. Those costly investments are ultimately passed onto all customers.

Additionally, on a wholesale level, spreading energy use more evenly throughout the day means energy purchasers can buy less high-priced peak energy, saving all customers money.

The time-of-use option is similar to ComEd's Hourly Pricing program. However, the TOU program features distinct, pre-determined pricing periods, rather than prices that fluctuate by the hour. Hourly Pricing has been beneficial for customers who have chosen it. One CUB study showed that 97 percent of ComEd customers could have saved money on the program in 2016. Such positive results are also expected with a time-of-use option.

Advocates hope that the more predictable pricing structure of the time-of-use option will encourage more customers to take advantage of this new program.

Customers who have installed smart devices are poised to see even greater benefits. For instance, time of use can help users of smart thermostats reduce air conditioner use during peak times (often, during work hours when people are away from home). Other smart devices, like delay cycles on dishwashers, are also more appealing to customers when they can see the connection between shifting their energy use and their reduced electricity bill.

A statewide time-of-use program is proposed under the Clean Energy Jobs Act (CEJA), legislation now pending in Springfield.

*CUB is Illinois' leading nonprofit utility watchdog. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, it has saved consumers more than \$20 billion by helping to block rate hikes, secure refunds, and fight for clean, low-cost energy. For more information, call CUB's Consumer Hotline, 1-800-669-5556, or visit its website, [www.CitizensUtilityBoard.org](http://www.CitizensUtilityBoard.org).*

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